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**ORIGINAL**

Arizona Corporation Commission

**DOCKETED****RECEIVED**SHAPIRO LAW FIRM, P.C.  
Jay L. Shapiro (No. 014650)

JUN 9 2016

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1819 E. Morten Avenue, Suite 280  
Phoenix, Arizona 85020  
Telephone (602) 559-9575

DOCKETED BY

AZ CORP COMMISSION  
DOCKET CONTROL

Attorneys for Quail Creek Water Company, Inc.

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF QUAIL CREEK WATER COMPANY,  
INC., AN ARIZONA CORPORATION,  
FOR A DETERMINATION OF THE FAIR  
VALUE OF ITS UTILITY PLANTS AND  
PROPERTY AND FOR INCREASES IN  
ITS WATER RATES AND CHARGES FOR  
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-02514A-14-0343

**NOTICE OF COMPLIANCE**

Quail Creek Water Company, Inc. ("QCW" or "Company") hereby submits this Notice of Compliance with Decision No. 75306 (October 27, 2015). Decision No. 75306 requires the Company to file a report attesting that (1) the Company has entered into a written contract with its affiliate governing the construction of plant for QCW, which contract shall provide that the Company will pay its affiliate for all plant constructed within one year of the plant being placed into service and recorded on the Company's books; (2) that plant constructed by affiliates is being booked on an accrual basis at the time it is placed into service; and (3) that the Company has made all necessary adjustments to its books and records to reflect the adjustments adopted in this case.

On March 1, 2016, QCW and Robson Ranch Quail Creek, LLC ("RRQC") entered into a Master Utility Plant Construction Agreement (the "Construction Agreement"). Consistent with Decision No. 75306, the Construction Agreement states that when plant is transferred from RRQC to QCW, QCW will pay RRQC within one year of the plant being placed into service and recorded on the QCW's books. The Construction Agreement further states that QCW shall book plant constructed by RRQC on an accrual basis at the

1 time the plant is placed into service.

2 QCW ended the practice of deferred recording in 2011. Since the issuing of  
3 Decision No. 75306, the Company has recorded the adjustments approved by the  
4 Commission on its books, and reported the updated balances on the 2015 Utility Annual  
5 Report.

6 RESPECTFULLY SUBMITTED this 9th day of June, 2016.

7 SHAPIRO LAW FIRM, P.C.

8  
9 By  \_\_\_\_\_  
10 Jay L. Shapiro  
11 Attorneys for Quail Creek Water Company, Inc.  
12

13 **ORIGINAL** and thirteen (13) copies  
14 of the foregoing were filed  
this 9th day of June, 2016, with:

15 Docket Control  
16 Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007

17 **COPY** of the foregoing was hand-delivered  
18 this 9th day of June, 2016, to:

19 Jane Rodda, ALJ  
20 Hearing Division  
Arizona Corporation Commission  
21 1200 W. Washington Street  
Phoenix, AZ 85007  
22  
23  
24  
25  
26

1 **COPY** of the foregoing was emailed & hand-delivered  
2 this 9th day of June, 2016, to:

3 Wes Van Cleve  
4 Brian Smith  
5 Legal Division  
6 Arizona Corporation Commission  
7 1200 W. Washington Street  
8 Phoenix, AZ 85007  
9 wvancleve@azcc.gov  
10 besmith@azcc.gov

11 Carmel Hood, Compliance  
12 Utilities Division  
13 Arizona Corporation Commission  
14 1200 W. Washington Street  
15 Phoenix, AZ 85007  
16 chood@azcc.gov

17 Shannon Kanlan, Compliance  
18 Utilities Division  
19 Arizona Corporation Commission  
20 1200 W. Washington Street  
21 Phoenix, AZ 85007  
22 skanlan@azcc.gov

23 By: Whitney Bink  
24  
25  
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